

Title: Streamlined Sales Tax Project (SSTP) - BCP No. 3

Purpose: To address the increased workload generated by California's participation in the multi-state SSTP.

Summary: This proposal offers alternatives to address the increased workload generated by California's participation in the multi-state Streamlined Sales Tax Project (SSTP). The primary workload includes submitting a report to the California Legislature regarding the impact to California of conforming to the Streamlined Sales and Use Tax Agreement (Agreement). Also part of the primary workload is the important role the BOE plays in representing California's interests in SSTP discussions and decisions regarding modifications to the Agreement.

Alternatives:

1. Request New Resources:
 - a. Total Resources Needed:
 - 5.0 limited-term positions for two years.
 - FY 2006-07: \$614,000
 - FY 2007-08: \$549,000
 - b. Benefit-to-Cost Ratio: None
2. Use Existing Resources:

Will not allow the BOE to complete Legislative requirement in an efficient, effective, and timely manner which, in turn, may affect the BOE's ability to capture additional use tax revenue.
3. Eliminate one (1.0) Tax Counsel III position in the Legal Department's Business Taxes Division due to lack of justification. This alternative reduces the position request from 5.0 to 4.0. It reduces the funding request from \$614,000 to \$455,000 (\$159,000 less) in budget year (FY 2006-07), and from \$549,000 to \$407,000 (\$142,000 less) in budget year-plus-one (FY 2007-08).

Staff Recommendation:

Approve Alternative 1. Recommend 5.0 limited-term positions for two years to address the increased SSPT workload.